

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **VICE CHAIRMAN MIKE TAYLOR**, on January 27, 1999
at 8:30 A.M., in Room 402 Capitol.

ROLL CALL

Members Present:

Rep. Lila Taylor, Chairman (R)
Sen. Mike Taylor, Vice Chairman (R)
Sen. Eve Franklin (D)
Sen. Ken Mesaros (R)
Rep. Ray Peck (D)
Rep. Joe Quilici (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lynn Daily, Committee Secretary
Greg DeWitt, Legislative Branch
Amy Sassano, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Department of Transportation Budget
Testimony

Greg DeWitt summarizes the section on Transportation A-68.
{Tape : 1; Side : A; Approx. Time Counter : 0 - 15.7}

Marvin Dye, Department of Transportation, speaks for the budget.
EXHIBIT (jgh21a01): Memo from Amy Sassano about the DOT budget
presentation

- going to see a huge increase in the budget
- provide some significant needs

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- approached budget preparation from a different perspective because they have to look at highway special revenue fund
- also consider FTE with the use of consultants
- will see an increase of over \$100 Million
- will see an increase of FTE by 150
- consultant budget has more than doubled
- large increase in program requires increase in support staff
- DOT needs to be adequately staffed
- in 1990 with ISTEA had federal aid program
 - \$150 Million have over 1800 FTEs
- now under TEA-21 \$260 Million with 2000 FTEs
- 2800 high paying jobs will be created
- almost every thing used comes from Montana
 - asphalt, etc.
- there is a bill out to take over paved secondary
 - the problem is once the county had a new road constructed out of federal aid they weren't able to maintain them
- still have concerns about delivering the program
- as soon as field reviews are done will sign contracts

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30.2}

Jim Curry speaks about how they are going to pay for the projects.

EXHIBIT (jgh21a02): TEA-21 (Transportation Equity Act for the 21st Century

- percentage of Federal program share increase
- sets foundation that they are going to maintain a great deal of funding
- program initiatives
 - going to meet 100% of preventive maintenance needs
 - crack sealing, thin lift overlays, etc.
 - proposing state resume responsibilities for all paved secondaries
 - have increased amount of transportation program reconstruction projects substantially
 - long term stability of highway state special revenue

EXHIBIT (jgh21a03): 2001 Biennium Budget Assumptions

- when they put budget fund together reduced state fund construction program by amount required to match federal fund

Questions from Committee Members and Responses:

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REP. QUILICI asks what is the percentage maximum. **Mr. Curry** says it is 87/13 (Federal/State)

SEN. MESAROS states that on state funded construction has to keep a minimum of \$9.7 Million to meet match. **Mr. Curry** says this is correct.

SEN. TAYLOR asks how they rank the 120 projects on the reconstruction program and if Mr. Curry has a money figure. **Mr. Curry** says several hundred Million. They have a performance programming process that looks at the management system and the condition of the highway. They are then presented to the transportation commission who ranks them. **SEN. TAYLOR** asks does the paved secondary roads include Highway 2 and Highway 93. **Mr. Curry** says they are there already. Current law says that they have all 56 counties saving or spending authority. In Sen. Sysgood's bill the change of funds are distributed by public road miles. Every financial district is going to receive more reconstruction money. They will sub-allocate federal money.

{Tape : 1; Side : B; Approx. Time Counter : 0 - 28}

They should get all funds allocated every year. Some secondary routes that they never addressed will be. Thirty-five percent of the total funds available to financial districts goes to preventative maintenance.

SEN. MESAROS asks what is the difference between financial district and administrative districts. **Mr. Curry** says financial districts follow the county line and administrative districts overlap a little.

REP. PECK asks how the bid procedure has changed. **Mr. Curry** says it is totally electronic bidding now. Errors in mathematics is virtually non-existent.

Gary Gilmore, Administrator of the Engineering Division of DOT, speaks for the budget of the construction program.

- include contractor payment, relocation of utilities, consultant, etc.
- capitol land and building
 - purchasing right-of-way runs about \$11 Million
- asking for \$460 Million for biennium for contractor payment
- construction basically is program to construct and maintain roads in Montana
- 120 projects are additional projects and they now have 300 projects
- reconstruction program takes between 4 and 6 years
- working on some 2003 projects now

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Questions from Committee Members and Responses:

REP. QUILICI asks why it takes 4 to 6 years. **Mr. Gilmore** says the project becomes an idea and then gets nominated. The commission approves it and then gets funded. During the preliminary field review, they look at the roads and what needs to be done. Then the long process starts. They engage FW&P, DEQ, and other state agencies if they have problems with them on the road. The environmental people look for contaminated soil and historical sites. The survey phase, aerial photos, and physical evaluation takes 1 to 1 1/2 years. Then they start the design. They decide if it should be contracted or done in house and that takes 18 months to one year. The Right-of-way phase is next. This is the final permitting phase. Any of these things can stop a project. They have never lost a necessity issue, but they have had long delays. They may be 6 months before they can get onto court docket.

SEN. TAYLOR asks if they try to get land owners on board before they start. **Mr. Gilmore** says they have public meetings and mailings. One of the first things they do before they step on the land is get permission.

SEN. MESAROS asks how they compared to surrounding states. **Mr. Gilmore** says Wyoming takes 7 to 8 years.

EXHIBIT (jgh21a04): Budget Issues 1/19/99
DP 1 - Expanded Federal Aid Program (page A-83)
- increase

EXHIBIT (jgh21a05): Explanation of DP 1

Questions from Committee Members and Responses:

REP. QUILICI asks why there is a drastic difference in the old DP 1 and the new DP 1. **Mr. Gilmore** says they have 31 FTE and they would be permanent staff not associated with contractors. They are right-of-way agents, engineers and designers, and five environmental positions.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 30.2}

SEN. TAYLOR asks if the .84 represents man hours. **Mr. Gilmore** says yes.

Construction Management System

- predicts what it's going to take to manage programs
- 71.84 FTE FY 00, and 110.7 FTE FY01
- a lot of these positions are temporary project managers
- Federal Special Revenue
 - for every dollar spend they get \$2.50 back

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- don't spend every dollar
- regularly return FTEs

DP 14 - Seismic Analysis and Retrofit of High (page A-84)

- after earthquakes in California the federal government upped the standard on using seismic equipment
- had modified budget request last time which put money for positions into contracted services
- there are going to be several programs

Questions from Committee Members and Responses:

CHAIRMAN TAYLOR asks how much money was put into this last time. **Mr. Gilmore** says he is not sure. This would have been in personal services and not in the base. This is design work

SEN. TAYLOR asks if they built a bridge five years ago and it didn't meet the requirements do they have to rebuild. **Mr. Gilmore** says no.

DP 23 - Environmental Services Positions (page A-84)

- legitimize FTE
- .95 FTE to bring 5 people up to full funding

DP 25 - Core Drill FTE (page A-84)

- FTE were not given last session and were put into contracted services
- consultants are not there to do this timely
- very specialized
- would like to legitimize in personal services and not use contracts
- 1/2 funded
- some of this work is done for bridge footings
- very critical that get good core

Questions from Committee Members and Responses:

SEN. TAYLOR asks how much the machine is. **Mr. Gilmore** says there are two different sizes. They last one cost \$450,000 and they are keeping it busy year round.

CHAIRMAN TAYLOR asks if this is the same kind of equipment that the railroad uses to test. **Mr. Gilmore** says it could be, but for a regular base they go deeper.

SEN. TAYLOR asks why when they bought the machine they didn't give them any FTEs. **Mr. Curry** says it was simply a way to still allow them to buy the machine and cut down the FTEs into contracted services. **Mr. Gilmore** says the people are on board and are funded

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at 1/2. They have three 3 man crews. In the winter they are still drilling. They like some areas to freeze up so they have access.

DP 29 - Utility Technician Position (page A-84)

- created in 1984 to assist utility agent
 - in Missoula/Kalispell district
- needed as a full time position

New Proposals

DP 5 - Safety Management Development System (page A-84)

- result of ISTEA
- now in position to purchase software to assist to work better
- no FTE associated
- 87/13 federally funded

DP 8 - Training & Development Specialist (page A-85)

- in material budget
- federal requirement to be trained by June 2000
 - this person would coordinate training
- have requested and received 87/13 match federal highways

Questions from Committee Members and Responses:

SEN. MESAROS asks what kind of assurance they have. **Mr. Gilmore** says they have a letter.

CHAIRMAN TAYLOR asks if they have a person who does this now. **Mr. Gilmore** says not to this extent to meet the requirements.

SEN. TAYLOR asks if they are going to get a person who is already trained. **Mr. Gilmore** says they will advertise for this position. They may have people in house that can do this.

{Tape : 2; Side : B; Approx. Time Counter : 0 - 27.8}

SEN. TAYLOR asks about the tests. **Mr. Gilmore** says the tests are done during work. They check to see if it meets specifications. He believes they have been testing right, but they aren't certified.

SEN. MESAROS asks how many of these technicians do they have testing materials on an ongoing basis. **Mr. Gilmore** says about 100-150 of their own people and possible consultants.

DP 18 - Expanded Research Activity (page A-85)

- research program has expanded in ISTEA and maintained that level in TEA-21

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DP 10 - Microfilm Conversion Contract (page A-85)

- documents used to be done by microfilming
- would like to contract out work to scan existing microfilm
- \$350,000 for microfilm to electronic scanning system

Questions from Committee Members and Responses:

SEN. TAYLOR asks if by doing this will they save time, money, and FTEs. **Mr. Gilmore** says no, they are going to get things done that they are not getting done now.

CHAIRMAN TAYLOR asks about the excess land. **Mr. Gilmore** says through the process of a highway construction project they purchase land. They purchase a whole parcel and there may be some uneconomical revenue of no use to the land owner. Some get lost and they try to sell the excess land. **CHAIRMAN TAYLOR** asks how they put the land up for sale. **Mr. Gilmore** says go to public auction. If the property was purchased with Federal aid money then the money from the sale goes back there or to State Special Revenue if purchased there. **Mr. Dye** says the statute requires them to receive 90% of the appraised value. **Greg DeWitt** says the sale of excess property was supported by the HB 610 Committee, but was not recommended.

DP 22 - Contractor Payment System (page A-85)

- currently 15-20 year old and is obsolete
- have found a system that ties into MT PRRIME
- called ASHTO Ware and is used by several other states

DP 26- Pavement Management Positions (page A-85)

- currently would like to expand to include all routes the State is responsible for
- 2.7 FTEs

DP 29 - Construction Management System (page A-86)

- have an old system and losing support
- doesn't tie in well with other systems
- may have to develop themselves
- the system goes back to the late 1970s
- were mandated in 1981

{Tape : 3; Side : A; Approx. Time Counter : 0 - 30.3}

Questions from Committee Members and Responses:

REP. QUILICI states that there was a big push in 1997 legislature to privatize, so the committee put a lot of money into contracted services. They are now finding they can do things cheaper in house.

DP 34 - SHRP Superpave Position (page A-86)

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- have not used in 1998
- new way of managing, testing, and designing pavements
- OBPP has approved 3 FTE
- funded at 1.5 each
- asking for 5 FTEs
- produce approximately 150 mix designs per year
- new method of producing asphalt mixing designs
- computer plus expensive equipment
- done in Helena

Questions from Committee Members and Responses:

SEN. TAYLOR asks what happens if the don't fund. **Mr. Gilmore** says this is a priority.

DP 36 - Computer System for Contract Plans (page A-86)

- want to potentially go to on-line bidding
- would cut contractor costs
- people generally hand carry in the bids
- no FTE
- would be one-time-only appropriation

DP 40 - Preconstruction Management System (page A-86)

- in 1981 advised to put into place
- has changed very little
- not having luck finding something existing to use
- would like to be PC

Questions from Committee Members and Responses:

SEN. TAYLOR asks who is in charge of computer systems. **Mr. Gilmore** says it is internally under administration. These systems only affect engineering, so they deal with them themselves. **SEN. TAYLOR** asks who overviews the whole computer system. **Mr. Gilmore** says Mr. Salisbury's people are involved and maintain the agency system.

DP 43 - Wetland Mitigation Site Monitoring (page A-86)

- currently done through approval of core of engineers
- any wetland they destroy they have to replace
- also have to monitor and maintain
- asking for \$100,000
- would be done with current FTE
- lot of travel time

Questions from Committee Members and Responses:

SEN. MESAROS asks if there can be coordination through FW&P. **Mr. Gilmore** says they try to "piggy back" with other agencies were ever possible, such as FW&P and Ducks Unlimited.

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REP. QUILICI asks if since these wetlands are constructed with federal aid, can they use federal aid money to maintain. **Mr. Gilmore** says yes.

CHAIRMAN TAYLOR asks how many wetlands do they create. **Mr. Gilmore** says in many areas the barrows create wetlands that they must maintain.

SEN. TAYLOR asks what is the big plan to build major highway corridors. **Mr. Dye** says they are not out there advocating building 4 lane corridors. They are busy trying to stay ahead on other systems that need attention, rather than expanding things that don't need it. They have no plan to four lane Highway 2. They are continuing to rebuild it.

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ADJOURNMENT

Adjournment: 11:37 A.M.

REP. LILA TAYLOR, Chairman

LYNN DAILY, Secretary

LT/LD

EXHIBIT (jgh21aad)